

(Un)Ethical Leadership, Organizational Identification and Sensemaking: the BES case and its impact on employees



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Abstract

This paper provides an ongoing analysis to one of the biggest ethical and financial scandals in Portugal – Banco Espírito Santo (BES). BES was considered one of the three best banks but it went bankrupted and its employees were transferred to a new entity – Novo Banco. This study was conducted in order to provide an understanding of the employees' side, which has been forgotten so far. An ethical scandal (sensebreaking) creates ambiguity and uncertainty which triggers new sensemaking processes in order to understand and derive meaning from the new reality. The methodology followed was semi-structured interviews to employees both from the branches and the central services. We found evidence that in organizations with strong identification, unethical behavior has a significant impact on followers' – the new process of sensemaking is particularly important in this situation because employees suffer more from the disruption of their reality.

Key words: (un)ethical leadership, sensemaking, organizational identification, BES

Introduction

Ethical behavior has been pushed to the center of the public and media awareness due to the recent corruption and ethical scandals in the banking industry and other sectors (Eisenbeiß & Brodbeck, 2014). Cases like Enron, Lehman Brothers, amongst others were mediatized for weeks.

In the last years there has been several developments in the literature concerning moral identity and ethical leadership behavior (Mayer et al., 2012; Aquino & Reed, 2002; Neubert et al., 2009). However, there is still not clear if ethics depends solely in people's morality or if it is related with processes of sensemaking, incorporating personal, situational and environment constraints (Thiel et. al., 2012). There are these two views concerning leader's ethical decision making.

Sensemaking, from a followers' perspective, which we aim to analyze, is a process to reduce knowledge gaps (Ashforth et al., 2008) and to derive meaning from ambiguity and/or uncertainty (Maitlis, 2014). It has become more important to academics due to its impact in strategic organizational change. The authors mention employees are willing to make changes in their roles and practices as long as their sensemaking is successfully influenced by the leader.

There is extensive literature regarding ethical leadership, however the unethical side is underdeveloped, as pointed out by Brown and Mitchell (2010), specifically the impact of unethical behavior in followers. Additionally there are companies who always were perceived as ethical, however due to some strong and impactful scandal we then realized they were not. We provide an analysis of a real ongoing case of unethical leadership in a company that for over 20 years was perceived as highly ethical – Banco Espírito Santo (BES). This case has a huge significance for the Portuguese economy and since its

beginning it didn't leave the media front pages. Financial scandals shock us the most because they involve people and institutions one should be able to trust (Boatright, 2009). The analysis presented here brings value by filling the literature gap in the impact of unethical behavior of CEOs and Top Management Teams (TMTs) on followers – the employees – and how it is related to sensemaking processes, especially when a strong organizational identification is at place. We analyze employees' sensemaking processes as a consequence of leader's unethical behavior which disrupted employees' certainties and expectations, creating ambiguity that triggered the new sensemaking.

When considering other major ethical scandals, like Enron, academics studied mainly the criminal practices and the consequences of the constant fight for shareholders' value (Bratton, 2002; Johnson, 2002). Still, there are academics who studied the ethics behind the company and how the culture influenced the decision making (Sims, 2003).

Concerning the BES case, all the worries so far are with its shareholders. We provide here an analysis from the employees' side which has been forgotten up to now. Once the unethical scandal came out, all the employees' reality and certainties fell through. There was a sensebreaking and they are now in a new process of sensemaking. It is important to understand how these processes can help employees dealing with change, especially when all the expectations regarding a company that was the "best" in the market are destroyed by now being part of the worst. This is relevant because strong identification with the organization creates more difficulties in accepting change.

The Case

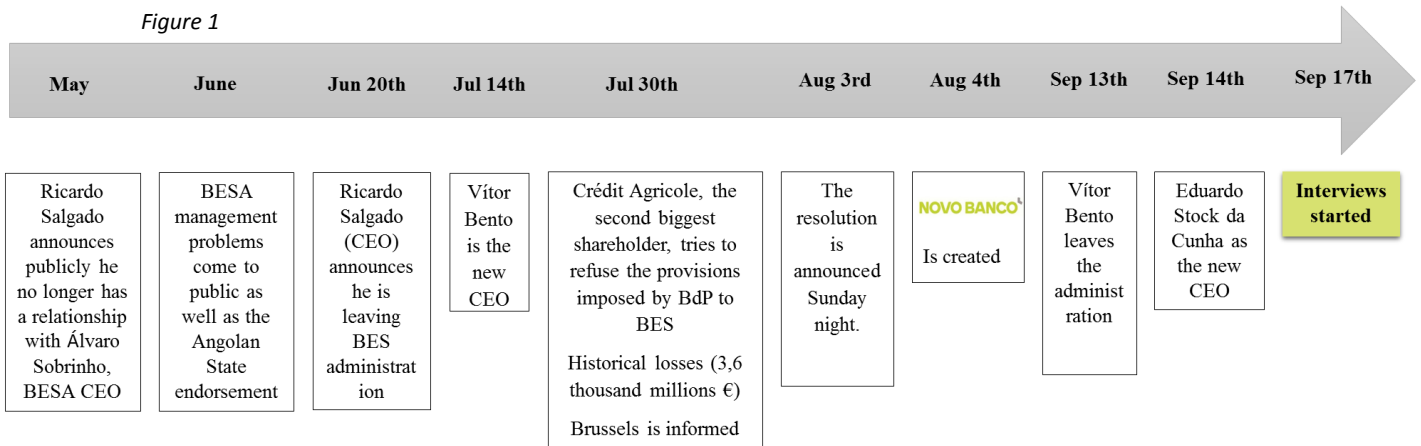
Banco Espírito Santo (BES) was a Portuguese bank with 145 years of history. It was a bank that prevailed over the different politic regimes. In 1974, it was nationalized after the April revolution, but in the 90's the *Grupo Espírito Santo* recovered the control over

the bank during the privatizations period. In 2013, it was the second largest Portuguese bank in terms of net assets (80.61 million of euros) and it had an overall market share of 19.7%, and a 25.5% market share in the enterprise segment, being considered the economy motor. It had 643 branches, 2.2 millions of clients and 7369 employees (Grupo BES, 2014). It had been the only bank who didn't resort to external assistant, namely the fund for the banking sector from Troika (European Commission, European Central Bank, and International Monetary Fund), and its management and employees were very proud of it.

The bank went bankrupt on August 2014 as a consequence of bad management policies such as misusing lending money to its own shareholders (Miguel, 2014), the exposure to the ruinous businesses from the family (Madeira, 2014), and the high volume of defaulted bank loan in BESA (a subsidiary from BES in Angola) (Madeira, 2014).

The BES case has some similarities with another famous bankruptcies. In 2001 two US companies went bankrupt as a consequence of illegal and unethical behavior. Enron manipulated accounting rules and concealed large losses on its projects and WorldCom used fraudulent accounting methods to increase its stock price (Forbes, 2013). However, the case differs in the sense that the bank was still open in the next day, with the same people, but with a different brand – Novo Banco. The loss of an institution with 145 years of history had a profound impact on people's mind, especially on employees who devoted their entire career to the organization and its leader. In fact, there was a strong identification with the CEO and his (presumably) ethical values which led to feelings of betrayal when the bankruptcy news came out. Employees were surprised and shocked with the sudden bankruptcy, declared on a Sunday night. To better understand the events sequence, there is a timeline of events in Figure 1.

Figure 1



Literature Review

For this particular case, it is important to focus on ethical and unethical leadership since ethical leadership has a direct and indirect impact on followers' job satisfaction and affective commitment (Neubert et al., 2009). Treviño et al. (1998) also mentioned the impact leader ethical conduct has on followers' commitment. Indeed these authors conclude that a supported ethical conduct in organizations, which values the "good of employees, customers and public", leads to less observed employees' unethical behavior (page 470). Brown and Mitchell (2010) also support ethical leadership triggers positive emotions on followers whereas unethical leadership triggers more negative emotions. Newman et al. (2014) pointed out ethical leadership leads to higher levels of both affective and cognitive trust.

Brown et al. (2005, page 120) defined ethical leadership as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making". Neubert et al. (2009) arrives to the conclusion that it is possible to have an ethical work climate where employees flourish as long as managers behave fairly, honestly and are trustworthy, in other words, in which ethical leadership behavior occurs.

On the opposite side, unethical leadership refers to “behaviors conducted and decisions made by organizational leaders that are illegal and/or violate moral standards, and those that impose processes and structures that promote unethical conduct by followers” (Brown & Mitchell, 2010, page 588).

In terms of ethical leadership behavior at the CEO and TMT levels, what has been studied so far concerns the leader’s actions and personal traits. In a study conducted by Treviño et al. (2003) through interviews with senior executives and ethics officers, ethical leaders are seen as simply doing the right thing in the right way for the right person. They are also seen as honest, trustworthy and people of integrity. Ethical leaders set the standards and values and communicate them to followers, they create a system that reinforces ethical behavior by keeping people accountable for their actions using rewards and punishments.

Ethics and moral walk hand in hand. In fact, a strong moral person is honest and trustworthy, a moral manager set and communicate ethical standards and use rewards and punishments to ensure those standards are being followed (Brown and Mitchell, 2010; Treviño et al., 2000). These two pillars (moral person and moral manager) are considered to be essential for ethical leadership (Brown and Mitchell, 2010; Treviño et al., 2000). In order to be a moral person and a moral manager, one must have a moral identity, which is composed of two dimensions: internalization and symbolization. Symbolization captures the public side, how the traits are reflected in the actions, whereas internalization captures its private expressions, the moral traits embedded in an individual’s self-concept, e.g. honest, caring, and compassionate. Internalization has a stronger relationship with moral reasoning (Mayer et al., 2012; Aquino & Reed, 2002). In fact, leaders perceived as ethical leaders are those with high moral identity, acting in conformity with common understandings of what it is to be a moral person (Mayer et al, 2012).

However, there is other perspective on ethical decision making which disregards the morality of the leader but instead focuses on sensemaking processes and strategies as a way to arrive to ethical decisions (Thiel et al., 2012). The authors defend ethical misconduct occurs because leaders have difficulties in accurately making sense of the business environment rather than because they do not have the moral standards.

In this paper we will focus on the employees' sensemaking since ethical scandals bring ambiguity and uncertainty to employees, which instead triggers sensemaking as a way to understand and accept change.

There are several definitions for sensemaking. One of the most famous is the one provided by Weick (1995) which defines sensemaking as a process that is grounded in identity construction, it is retrospective, enactive of sensible environments, it is social and ongoing, it is focused on and by extracted cues, and it is driven by plausibility rather than accuracy. Sensemaking is the process of reflecting on the reactions to identity enactment and derive meaning from it (Ashforth et al., 2008). Maitlis et al. (2014, page 57) defines sensemaking as "the process through which people work to understand issues or events that are novel, ambiguous, confusing, or in some other way violate expectations". Individuals as members of an organization seek to clarify what is surrounding in moments of ambiguity and uncertainty, in order to derive meaning they extract and interpret cues which is the basis that provides order and makes sense of what has occurred (Brown, 2000).

Sensebreaking occurs when one questions who he is when the sense of self is challenged, it involves the destruction of the meaning constructed so far (Pratt, 2000). When sensebreaking occurs an individual's realities and certainties fall through and a new sensemaking process begins as a way to attribute meaning.

Sensegiving is the attempt to guide other's sensemaking (Gioia & Chittipeddi, 1991). Sensegiving serves as a response to sensebreaking and both promote identity enactment and sensemaking. The difference between sensemaking and sensegiving is that the first involves retrospective and prospective thinking to interpret the reality in a new way, whereas the second is the process in which one individual attempts to influence the sensemaking of others (Sonenshein, 2010).

As Weick (1995) mentioned, sensemaking is triggered by failure to confirm one's self, hence identity threat is a powerful prompt for sensemaking. Organizational sensemaking is important to strategic change, organizational learning, and innovation and creativity (Maitlis et al., 2014).

Methodology

August 3rd was the first day of Novo Banco. All employees started to use its brand, however the process was not easy. In order to understand the sudden organizational change in the employee's view, we collected qualitative data through the use of semi-structured interviews. Collaborators both from the branches and headquarters were interviewed. The interview was designed to understand the differences between before and after the bankruptcy, how employees felt about the event, how the relationship with the leader was and what the perspectives are for the future. The detailed interview script is in appendix 1.

The interviews were made between September 17th and October 16th. There were 17 people interviewed, 10 male and 7 female, with an average age of 38, having the eldest 60 years old and the youngest 22. Those people were, in average, for 14 years in the bank, being the minimum 3 months and the maximum 33 years. The majority of the interviewees have a higher education. There were seven people from the branches and 10

from the central services. We had the intention to record all the interviews, however not everyone authorized it, especially the employees whose interviews were realized in the branches, which is understandable given the uncertainty context.

The range of the interviews was between 10 and 90 minutes and were all conducted in Portuguese.

The data collection was difficult because most people were not willing to speak since this was a very recent situation and people were afraid of being subject to reprisals. LinkedIn was used as a source to find contacts, however it was not very successful as only two interviews were arranged through that method. All the other interviews were the result of using the personal contact networks.

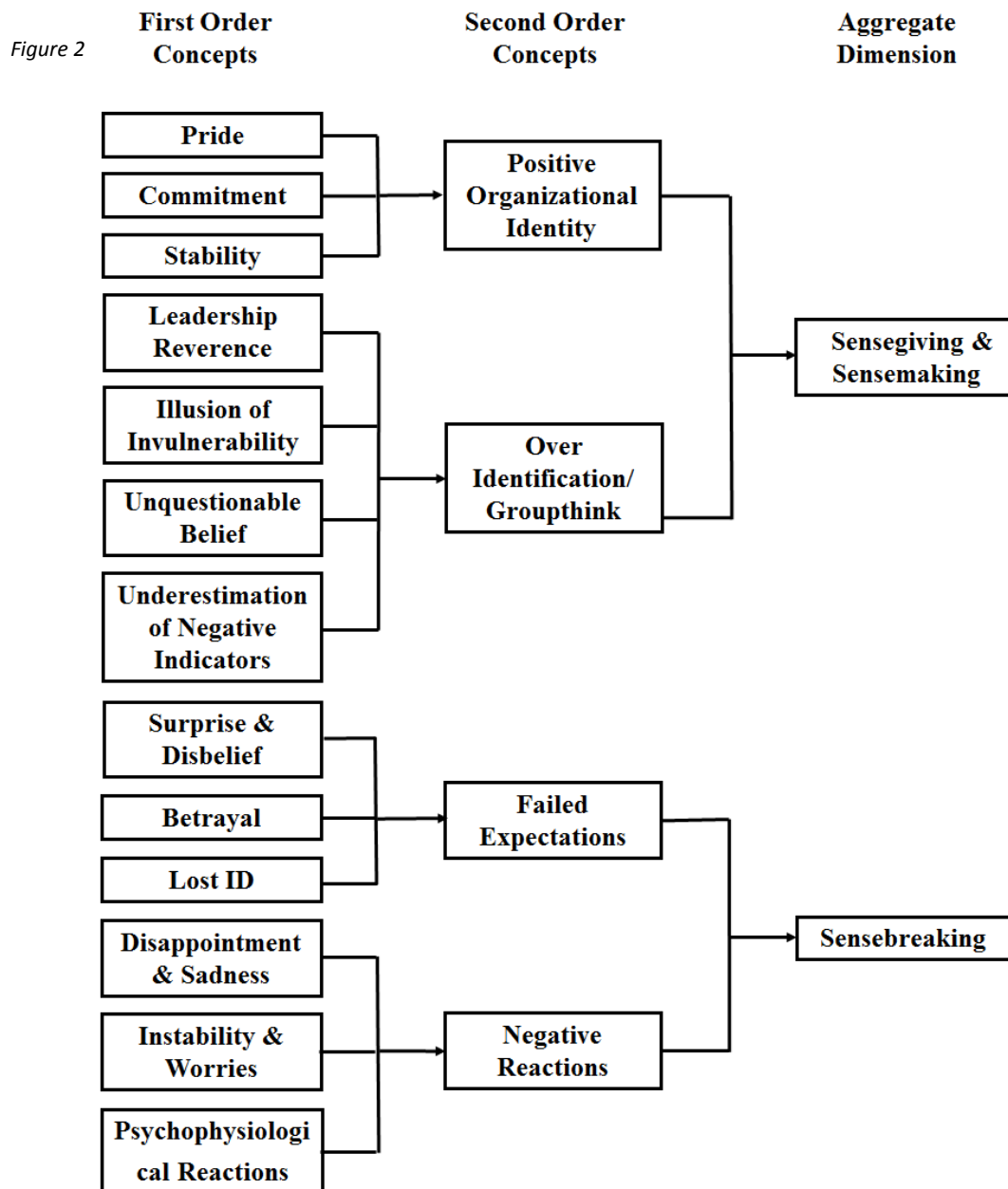
Theoretical saturation was achieved since the last interviews did not bring additional information (O'Reilly et al., 2012, page 253).

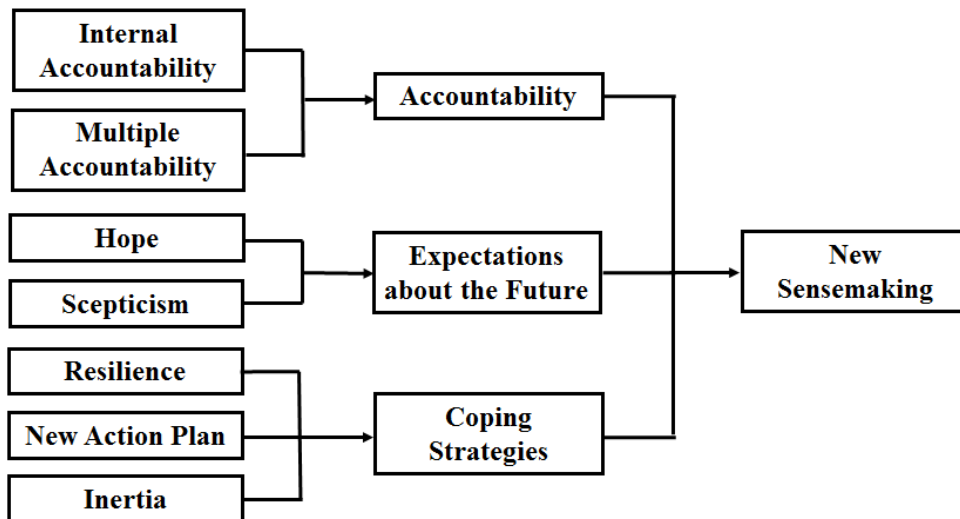
Findings

Throughout the data analysis, we followed a comparative approach since data was compared across informants and across time - before and after the scandal (Clark et al., 2010). The approach used was a first-order analysis, consisting in a categorization of the facts presented in the interviews transcripts, which are called first-order concepts (Van Maanen, 1979). It was established 20 first order concepts (Figure 2) but the interplay between the categories was not straightforward (Clark et al., 2010). We proceeded to the second-order analysis which employs an alternative view using a more theoretical perspective (Gioia et al., 1994), it can be said that second-order concepts are the theories one can use to explain the facts (first-order concepts) (Van Maanen, 1979). The first-order concepts were clustered in 7 second-order themes: positive organizational identity, over identification and groupthink, failed expectations, negative reactions, accountability,

expectations about the future, and coping strategies. In the last stage of the data analysis, the second-order concepts were aggregated in 3 dimensions: sensegiving and sensemaking, sensebreaking, and new sensemaking. These three dimensions consolidate the themes in the first two categories into more general categories relevant to the event (Clark et al., 2010).

Figure 2 presents the results of the analytical approach mentioned above. For a more detailed understanding of the categories construction, appendix 2 provides the interview data supporting each first-order concept.





Sensegiving & Sensemaking

Positive Organizational Identity. When asked about the relationship with the bank, most employees identified *pride, commitment and stability* as representing the connection with the institution: "I was proud of belonging to BES. I was happy for belonging to a bank with so many... With a big influence for our country's economy and also in the companies' lives. All of that contributed to it, I enjoyed working. "; "My relationship with the bank is big and it is more than simply an employee. We defended a brand, an image, an institution, a banker's family, that was... I really felt I was part of the project, of the strategy and (...) it had a face, which was always Ricardo Salgado. (...) We defended a brand and I saw myself in it"; "When the opportunity to be part of BES came, I had other alternatives, but I chose BES as being the safest choice, a solid bank, a big group." The employees considered the bank as a solid choice to build a career for life, they considered it the best bank in Portugal, and they were proud of belonging to the institution and even despised the competition, as we can better seen in the category *illusion of invulnerability*. All of this factors contributed to create a positive organizational identity, where employees were happy to belong to the organization.

Over Identification/Groupthink. Employees admired and respected a lot the leader, Dr. Ricardo Salgado: "I can say (...) 80 to 90% of the employees saw themselves in Dr. Ricardo. (...) He was a father/paternal figure, very charismatic, knew how to deal with employees. (...) A faultless person". Indeed, the CEO was an ethical reference - "Inside the system I thought he was a reference (...), I saw him as (...) an ethical reference". He had the characteristics of a moral manager - "I considered him a person with integrity and responsible." As the ethical reference he was perceived as, ethical behaviour were incentivized and unethical behaviours were punished - "We also had a colleague that was fired because he send a pornographic email to a customer by mistake". We have labelled this category of *leadership reverence*. Moreover there was an *illusion of invulnerability* for belonging to the bank: "My bank was my bank, I sold it to everyone, everyone, even without being in the commercial department, I walked into a restaurant and saw something from Santander or BPI, 'ehh, what a shame, so you don't have, you are not a customer of the best Portuguese bank?"". The leadership reverence together with the sense of invulnerability lead to over-identification and groupthink, followed by its draw-backs: *underestimation of negative indicators* and *unquestionable beliefs* - "We suspected before the news, (...) but I never thought it was like this"; "From a certain point in time we stopped asking the questions that we should have done, (...) there was a whole organization that allowed it to happen (...), in that sense almost all of us, that are part of the organization, are somehow responsible."

It is important to further discuss identification since individuals derive meaning from it (Brown & Mitchell, 2010). Organizational identification refers to "a feeling of oneness or belongingness to a particular group or institution" (Walumbwa et al., 2011, page 204; Ashforth & Mael, 1989). Identification has several positive outcomes that have been identified over the years such as cooperation, effort, participation, intrinsic motivation,

task performance, information sharing, job satisfaction, and so on. However, there is also a dark side – less creativity, continued commitment to a failed project, resistance to organizational change. Dukerich et al. (1998) identify several problems arising from over identification such as developing an automatic trust in other members, including the leader, less perceived need for intervening in questionable behavior and less need to question certain dubious behaviors, an inability to question the ethicality of organizational behavior, and behaving unethically on behalf of the organization. Some of this problems are somehow present in the data, the fact employees stopped asking the right questions and under estimated several indicators and signs. Over identification is connected with groupthink. Groupthink was a concept proposed by Janis (1972), who defines it as a premature concurrence-seeking tendency that interferes with effective group decision making (Park, 2000). Some symptoms of groupthink are illusion of invulnerability, belief in group morality, stereotypes of out-groups, and illusion of unanimity. Finally, groupthink has some consequences on the decision-making quality: incomplete survey of alternatives, failure to examine risk of preferred choices, failure to reappraise initially rejected alternatives, poor information search, and selective bias in information processing (Janis, 1972; Park, 2000). As we can see, over identification also leads to groupthink, which together magnify the consequences of each other. The drawbacks presented are also found in the data, specifically in the categories illusion of invulnerability and unquestionable belief. As previously mentioned employees stopped asking the right questions, which together with the symptoms of groupthink – illusion of vulnerability and unquestionable belief – lead underestimated the negative indicators.

We can aggregate the 2nd order categories *positive organizational identity* and *over identification/groupthink* into a broad dimension called *sensegiving & sensemaking*. Indeed all this factors contributed to the processes of sensemaking that employees did of

themselves as members of the organization. We can also consider the leadership reverence as a contributor in terms of sensegiving, since the leader and its communications in- and out-side the company guided the sensemaking. In fact, Dr. Ricardo Salgado in his publicly communications had boasting the major accomplishments of BES, announcing it was the only bank who didn't use the state funding line in the current economic crisis, reinforcing its position as the best bank in Portugal.

Moreover, identification is strongly related with sensemaking. In fact, Ashforth et al. (2008) presented a process-oriented model of how identification may unfold, they view the process as a cycle that iterates between organizational sensebreaking and sensegiving and individual identity enactment and sensemaking. The process of identification is an interplay between individuals and organizations, individuals incorporate elements of the organization/the collective in their sense of self by enacting new identities (Ashforth et al., 2008). It is through processes of sensebreaking and sensegiving that organizations incentive enactment and provide feedback.

In this case, the previously sensemaking and sensegiving lead to the generation of the positive identity and the organizational identify, which then was questioned when the bankruptcy news came out.

Sensebreaking

Failed Expectations. On a second stage of the interview, the news of the bankruptcy was tackled. The interviewees showed some *surprise and disbelief*. "It never cross my mind. (...) The beginning of August was for us a fall of everything on our heads (*desabar de tudo em cima da cabeça*). (...) We didn't even dream of it, (...) with the capital raise in June and all..." "[It was] the world going to the dogs (*o mundo a desabar em cima da minha cabeça*), i.e., 'this cannot be happening, this is not real, it is not possible, in a weekend, in a Sunday evening coming out a news like this', I don't know, it was all that

come to my mind., and more, 'how is it going to be tomorrow morning?'. Additionally they felt *betrayed* by the leader they loved the most. "I felt a bit betrayed because he always transmitted an image of seriousness and honesty, in the messages to the collaborators and every time he spoke on the media, and then it turn out to be the opposite, hence that's it, betrayal." As a consequence, employees lost the identity to which they refer to, from one moment to the other they had to pull a different shirt – Novo Banco. "I am not embarrassed for being part of Novo Banco, but the prestige is not the same. We lost the status". "The Novo Banco still doesn't come down the throat (*não desce da garganta para baixo*) (...) because the BES is still here in the heart". "It is a brand that doesn't say anything to me. (...) I feel almost like an orphan". "It is like if it hasn't identity. The 145 years of history disappeared." The categories *surprise & disbelief*, *betrayal* and *lost ID* represent *failed expectations*. Actually employees never expected the bank to go bankrupted, especially after the capital raise in June. These failed expectations aroused from a sensebreaking process. The bankruptcy collapsed the employees' reality, certainties and expectations, it was a disruptive event that made them question their self and their fit inside an organization now gone. It is worth mention again the average time interviewees were working in the bank was 14 years, meaning they have worked a lifetime giving their best to an institution that was not what they thought it was. As a consequence of being faced with this new reality and failed expectations they developed negative feelings and reactions as we will now see.

Negative Reactions. As a result of the sensebreaking, employees showed negative emotions. They were *disappointed and sad* - "When we start realizing what was happening, it was a disappointment, it was quite sad". The process and the lack of information resulted in *instability and worries* - "Then there is the fact of being in an indefinite situation. (...) There is a motivation and an insecurity problem. (...) It is a big

stress factor, there is no information". In some cases there was even *psychophysiological reactions* - "I have colleagues in the branches with beginnings of heart attacks and strokes, being sent to the hospital in ambulances. (...) Even I, I have here a huge line of people just waiting to talk to me. I had panic attacks where I had to go to the back-office to pull myself together and then come back as nothing happened and keep talking to them". The psychological struggling is a consequence of the sensebreaking. The sensebreaking generated uncertainty and ambiguity, which created the need to understand and attribute meaning to the new reality, meaning employees entered in a new sensemaking.

New sensemaking

Accountability. Employees when asked if they believe the fault was internal or external, gave contradictory opinions. Some believe there is *internal accountability* - "It feels like there was a strong weigh on the management side of the bank. (...) There was negligence in controlling parts of the group, as it is the case if BES Angola. (...) It was the so called going through the motions (*empurrar com a barriga para a frente*) in the case of Espírito Santo Financial Group, where it feels like he was trying to save the assets and was always digging deeper and deeper (...) The responsibility is more internal than external". And then there are employees that identify *multiple accountability*, both internal and external - "I think it is a bit of both. (...) BES went for the crisis without officialising it was in crisis, therefore it is natural that the crisis has influenced it. (...) The other part is also true, I mean, when you make decisions usually you know what you are doing". The confusion in attributing responsibilities are processes of sensemaking to understand a new reality and to create a new self inside a now new organization.

Expectations about the Future. In a third stage of the interview, we asked about employees' expectations regarding the future. Some employees demonstrated *hope*, others *scepticism*. "Now more than ever it is a bank that can be trusted. [because all the

toxic assets were removed]". "The Novo Banco hardly, I do not believe at all, will remain as Novo Banco, hence the name. (...) The Novo Bank is ... is nothing, it is a transactional figure, it is at contract, we have here a fixed-term contract where it is Novo Banco. We do not identify with it, not even with the butterfly (...)"

Coping Strategies. Some employees look for a future inside the bank, which we labelled of *resilience* - "We were here the next day.(...) We have the ambition of making this work"- others look for alternatives outside the bank, developing a *new action plan*-"My plan is to pay attention, to everything, all the news, all the details people mention, and keep my eyes in the labour market, try to find a back-up plan as soon as possible."- and there are still a third category of employees that demonstrated *inertia* - "I feel indifferent (...) because I am no longer emotionally connected, I am just waiting for the end".

Weick (1988) asserts that action is an integral part of sensemaking. There are two possible courses of action – active or passive coping. According to Folkman (1984), coping refers to cognitive and behavioral efforts to master, decrease, or accept the internal and/or external demands that are generated by a stressful event. This means that if a stressful incident occurs a person has to do something to deal with the problem. Indeed, coping strategies are individual approaches to stressful events (Ippolito et al., 2005). Active coping strategies are problem-oriented and buffer the impact of stress on mental health outcomes (Jex et al., 2001). In the data we can see the categories *Resilience* and *New Action Plan* are both active, they are taking actions, following a strategy. Avoidance or passive coping strategies have typically been found to be disadvantageous (Ippolito et al., 2005) and in the data are found in the category *inertia* since this approach lacks a strategy.

Discussion

The data analysis showed an ethically perceived leader which fostered followers' commitment and job satisfaction, as pointed out by Neubert et al. (2009). However once

the unethical behaviours became public, it triggered negative emotions, such as disappointment, worry and betrayal which prompted efforts to determine who was accountable for the scandal. Brown and Mitchell (2010) also support ethical leadership triggers positive emotions on followers, whereas unethical leadership triggers negative emotions. Through the negative emotions and failed expectations we could see the impact unethical leadership has on followers, leading to new sensemaking in order to derive meaning from it and cope with the new reality.

In this particular case, the supposed ethical leader was unethical, and the reasons employees didn't realize it are related with the strong identification as we have seen above. Additionally, as mentioned before, an ethical leader should be a strong moral person, which is honest and trustworthy, and it should be a moral manager who sets and communicates ethical standards and uses rewards and punishments to ensure those standards are being followed (Brown and Mitchell, 2010, Treviño et al. 2000). Dr. Ricardo Salgado can be seen as a moral manager since he followed the above mentioned characteristics, however he lacked the second pillar Brown and Mitchell consider to be necessary for ethical leadership – moral person. Despite being seen as honest and trustworthy, in reality he wasn't, therefore he lacked the moral person pillar to be an ethical leader. He wasn't a moral person because he didn't have a fully moral identity. As mentioned before, to have a moral identity one has to have internalization and symbolization, Dr. Ricardo only had the symbolization part and in fact internalization is the one more correlated with moral reasoning. By symbolization we are referring to the speeches he gave, the way he treated employees, the leadership decisions which were transmitted to employees. What he missed was internalization in the sense that his self-concept was corrupted, after all not all the decisions made by him were ethical.

Leader behaviour, organizational prestige, support and trust are considered some of organizational identification antecedents as well as ethical leadership. When ethical behaviour is encouraged by holding employees accountable for their actions, treating employees fairly, and unethical behaviour is punished, followers will internalize those values. Thus ethics influences the degree of organizational identification (DeConinck, 2011). In this case the employees had a strong identification with the leader and with the organization not only because they were working in a good institution (when comparing with competitors interviewees mentioned their pride in working for the best bank in Portugal) but also because they saw themselves in the leader, the ethical leader. Furthermore, individuals with strong organizational identification internalize the successes and failures of the organization, hence if the organization to which they identify with collapses, they suffer an existential loss (Brown & Mitchell, 2010; Mael & Ashforth, 1992), which happened due to all the failed expectations and negative feelings and reactions found in the data. In order to respond to this unethical event that rocked employees' world, there was a new process of sensemaking to reduce the knowledge gaps created by the event and to derive meaning from the ambiguity.

We can see from the case that in organizations perceived as ethical and with strong identification, employees suffer a lot from the disruption of their reality, they psychologically struggle to find a new sense and attribute new meaning, and sometimes they even present psychophysiological reactions such as strokes and panic attacks.

When sensebreaking occurs and people engage in a new process of sensemaking, they are in a liminal state. Liminality refers to "the condition of being betwixt and between, at the limits of existing social structures and when new structures are emerging" (Tempest, 2007, page 821). With the termination of BES and the creation of Novo Banco, employees found themselves in a liminal stage. There are three main stages of a transition. The period

immediately before the transition is the pre-liminal stage – the individual still belongs to a specific and structured condition. The transition itself is the liminal stage – the individual does not belong to any of the pre or post conditions but at the same time belongs to both. The period immediately after the transition is the post-liminal stage – the individual enters and belongs to the new condition (Cunha et al., 2010; Van Gennep 1908/1960). In our case, we can state the BES bank before August 3rd is the pre-liminal stage and Novo Banco can be considered the liminal stage since there is clearly an intention to sell the bank, hence it is only a means to achieve an end. When the bank is finally sold we then can say it is the post-liminal stage.

It is in the liminal stage that one decides how to cope in the post-liminal stage. In the data analysis we could see that after processing all the information and arriving to a new sensemaking, employees reacted in different ways. Some followed an active coping strategy, which consisted either in proving their job inside the organization, i.e. showing they are worth to keep, or looking for alternatives outside. After the interviews took place, we now know there is an employee who already left the bank for a new job. We can state that the people who are in the organization for less time and are younger are more proactive in looking for alternatives outside the organization, whereas the eldest people and the ones who have been in the institution for longer time are either following an active coping strategy via hope and resilience or are following a passive coping strategy.

Limitations and Future Research

This study has some limitations regarding the timeframe of the interviews. We tackled the period immediately after the sensebreaking which has some disadvantages regarding the emotional availability of employees to answer all the questions in the most truthful and honest way since they are still processing all that happened. Additionally, there were some interviews that were not recorded, which can affect the depth of the statements.

For future research, it is interesting to understand how employees deal with the new entity that is being created. If they will emerge as a new and stronger organization or if what was lost cannot be recover at all.

Conclusion

Throughout the paper we provide evidence unethical leadership behavior has a direct impact on followers through negative emotions and failed expectations. It is caused by a sensebreaking event and as a consequence it is followed by a new sensemaking process. The impact unethical leadership behavior has on followers is particularly relevant in organizations with a strong identification. When there is strong identification employees suffer from the disruption of their reality since the identity is threat and/or even broken through sensebreaking, and they need to find a new meaning and fill knowledge gaps created – new sensemaking. This process of finding a new meaning is referred to as liminality and people react differently – active versus coping strategies.

The BES case and its CEO, which was nominated the worst CEO of 2014 (Finkelstein, S., 2014), is a reference for future research since it shows ethical leaders must worry not only about how they are perceived by others, as pointed out by Brown (2007), but also with the actions they take, keeping consistency between the two components since it impacts employees' organizational identification and consequently commitment.

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Interview Script

1. Before the event (bankruptcy) how was your relationship with the bank? How did you feel about being connected with the bank?
2. Do you think the bank is fully responsible for what happened or were there situational (e.g., current financial crisis) factors that could explain the event?
 - a. Can you please rank the factors that you mentioned?
 - b. In which way each factor previously mentioned by you contributed for the organization's failure?
3. This bankruptcy is having several implications for everyone related to the bank (clients, employees, investors, country, etc.).
 - a. Which stakeholder(s) was/were more affected by this event?
 - b. Do you see any positive consequences of this? Which ones and to whom?
4. How this event has affected you personally?
 - a. How did you feel when you knew the bank had bankrupted?
 - b. What did you do/What is your action plan?
 - c. How do you feel when people know that somehow you are related to the bank?
5. How was your relationship with Espírito Santo's family?
 - a. How did you see their organization?
 - b. How do you see that organization right now?
6. Did your previously experienced something like this before? How was it?
7. How have you been dealing with the clients?

Final Questions:

How many years have you been related to the bank?:

Age:

Gender:

Education:

Occupation:

Pride

"The people that were there were proud of working for BES, the company is like a family business, everyone knows each other, and... well, working there was a pride"

"It was a bank different from the others"

"I was proud of belonging to BES. I was happy for belonging to a bank with so many... With a big influence for our country's economy and also in the companies' lives. All of that contributed to it, I enjoyed working. "

"It was a pride, a pleasure."

"It was a different feeling from what exists in the other companies"

"All of us were proud in the institution"

"It was a reference in the banking system"

"Proud. My relationship was always great"

"I am proud to work in BES, I am proud it was always connected with those values (trust, transparency, solidity)

"A certain pride, it was a accredited institution, of respect. We had a status for working there. It was a status, a pride in the work."

Commitment

"My relationship with the bank is big and it is more than simply an employee, We defended a brand, an image, an institution, a bankers family, that was... I really felt I was part of the project, of the strategy and (...) it had a face, that was always Ricardo Salgado. (...) The one who lasted for ever and that continued was the Espirito Santo family, we defended a brand and I saw myself in it"

"I liked where I worked, and I still do."

"It was good (the relationship). I felt fine, this was a surprise for me"

"My relationship with the bank was total love to the uniform"

"We pulled the shirt, and we didn't stop doing it"

"I felt part of the organization culture"

"No one is for 13 years in an institution that doesn't like. 13 years is, it's already a strong connection and obviously I saw my self in the institution, in the its values, in the importance it had on the Portuguese society"

Stability

"[How I felt about being connected to the bank]I felt wonderfully well (...), the security here, the career, the follow-up on employees (...), we operated a lot like a family, we were a family and were associated to Banco Espirito Santo (...) BES was BES, was indeed a bank different from the others, a family bank, an old bank, a bank where people say themselves in the managers. At that time it was indeed great, and the bank always behaved very well, (...), we were well treated, we received profit distribution. (...) Hence, in a general way, here in Banco Espirito Santo, the people liked to be, because they say themselves here as being in family, and they enjoyed it, and they had a career, (...) of course in the middle of all of this there is still people unfairly treated, there is always, in every company, we at the time had 7000 employees, I am sure there are money complains, and with reason. (...) "

"When the opportunity to be part of BES came, I had other alternatives, but I chose BES as being the safest choice, a solid bank, a big group."

"Knowing that there was someone, Mr. Ricardo from the family side, which owned the bank, brought some tranquillity to the people"

"It was a solid institution and by the time we thought it had a really strong leadership"

"Things can change from one moment to the other, and I think people were not aware of it."

"It affected me a lot because it's my job. (...) In the last 12 years this was the only steady aspect of my life, the rest was changing, wedding, etc."

Leadership Reverence

"I have colleagues that were fired because they (...) harmed the bank in for example, 30 something, 300€, I am remembering an example that was fired for 300€, it was so bad (...) Of course I am not a fan, who steals, steals, not matter the amount (...) But many times there was doubt, if it was stolen or not. Now we see other that stole millions and millions, how is it going to be?"

"We also had a colleague that was fired because he send a pornographic email to a customer by mistake."

"Once a year he went to the branches to meet the managers, in other words, he was, and he intended to ask the manager himself how everything was going, how were the businesses in every single village."

"It was a great identification with the figure and the company itself"

"I had a great admiration for Ricardo Salgado, I always thought him as a guy with..., first he was very respected, and then was also the fact of being all these years heading the bank, also the family situation, but I always thought, I always admired much his technical capability, and influence"

"I saw him as a straight person and a good manager."

"I didn't have a relationship, but I could relate to him (identificava-me)"

"I looked (to the family) with trust."; "He transmitted confidence to us"

"I felt part and identified myself with"

"The Dr. Ricardo was an idol for all of us. (...) We had great respect. (...) When he was arrested my direct was in the branch and started crying."

"Inside the system I though he was a reference (...), I saw him as (...) an ethical reference"

"I considered him a person with integrity and responsible."

"I can say (...) 80 to 90% of the employees saw themselves in Dr. Ricardo. (...) He was a father/paternal figure, very charismatic, knew how to deal with employees. (...) A faultless person."

"Yes, I identified myself, we had similar values."

"The Dr. Ricardo enjoyed a great admiration."

"The values that we assimilated and the ones that we forwarded to the clients were trust, transparency, solidity"

"He was someone that went to the executive commission and danced with the girls, with our colleagues, he was someone that everyone loved, cared about a lot, and so this was awful"

Illusion of Invulnerability

"BES was seen has a bank that... (...) by being a big private bank and the fact it didn't used the public credit line for banks that other banks did (...), we were proud of never using that line. (...) I felt part of the organizational culture."

"My bank was my bank, I sold it to everyone, everyone, even without being in the commercial department, I walked into a restaurant and saw something from Santander or BPI, 'ehh, what a shame, so you don't have, you are not a customer of the best Portuguese bank?'"

"We were in the square as a quality bank"

"[the bank] was is first place as customer service, as prestige, as image itself, so it was indeed a great company, great in all levels, and you probably guess, it was a bucket of ice all that has happened"

Unquestionable Belief

"It was an institution that I somehow would recommend. So if I was in a position of recommending my friends to work there, (...) my answer would be yes, for sure. The same way as I would recommend clients to work with the bank because I believed in what I was doing, and I believed in what the bank was doing"

"From a certain point in time we stopped asking the questions that we should have done, (...) there was a whole organization that allowed it to happen (...), in that sense almost of us, that are part of the organization, are somehow responsible."

"I believed in what I was doing."

"It was a shock (...) and makes us wondering, these 19 years of full commitment, giving up a lot of stuff because I believed, I believed in the bank, in the project, I believed...now, this is a wag (abano)."

Underestimation of Negative Indicators

"Of course we already had, we almost guessed without believing much in what could happen"

"We suspected before the news, (...) but I never thought it was like this."

"I knew stories of CFO's who went there and in the day after left saying 'I don't work in this', so it was not unexpected, the people themselves known"

"Some people more informed, and I not being the most informed, but had more information than many other, of course we already had, we almost guessed without believing much in what would happen."

"People know there were many failures beyond all of that but no one ever thought it would happen what just happened"

Surprise and Disbelief

"It was a surprise"; "I was surprised"

"It was unimaginable to me, I mean I had that man as a reference in the bankers."

"There are people that I know inside the organization that express some, a feeling that I don't know, but they express some disbelief, almost denial."

"It never cross my mind. (...) The beginning of August was for us a fall of everything on our heads (desabar de tudo em cima da cabeça). (...) We didn't even dream of it, (...) with the capital raise in June and all... (...) It was a disappointment."

"Totally surprise, socked".

"I wasn't expecting, I cannot find any adjective.(...) We were like 'this is not happening'."

"The world going to the dogs (o mundo a desabar em cima da minha cabeça), i.e., 'this cannot be happening, this is not real, it is not possible, in a weekend, in a Sunday evening coming out a news like this', betrayal, I don't know, it was all that come to my mind., and more, 'how is it going to be tomorrow morning?'."

"I didn't want to believe honestly, it was something that let me astonished, something I would never imagined, I felt that if that man was capable of doing that, then there was really no trust in the system."

"Surprised, I was not expecting at all."

"[the reaction was] Denial. It is not possible, there is still somebody that will say it is not like that, and Dr. Ricardo Salgado will still explain all of this, explain the logic. And then I came to myself and panicked."

"[my reaction] was incredulous with what I was watching"

"The reaction was incredibility, it is unbelievable all of this"

"I was not thinking it was possible. (...) It shouldn't have been like this, on a weekend (...), it was hard to accept."

"It is hard to believe he was that Machiavellian."

"I never thought he would led the bank to bankruptcy and that deceived all the people."

"Honestly I didn't realized what just happened, 'but what are they saying? That's nonsense.' That's it, because you were not expecting and didn't believed it was possible"

"Indeed cold water was poured (Foi um balde de água fria)."

"It affected me psychological concerning what were my expectations on the institution, I was astonished. (...) It was something unthinkable, I mean, I had that man as a reference in the banking

system (...) I considered him responsible and a person of integrity, it was the overthrow of what I thought was still the last bastion of some seriousness in the capital market"

Betrayal

"Almost all of us felt betrayed, deceived, as well as the clients, as well as many people I think."

"Bad. This is unbelievable. (...) This problem arises, all the administration leaves, the clients lost a reference, it is the employees, that show their face, the people that show their face for better and worst, hence it has a huge impact, especially because we don't have, we also don't have answers"

"I felt a bit betrayed because he always transmitted an image of seriousness and honesty, in the messages to the collaborators and every time he spoke on the media, and then it turn out to be the opposite, hence that's it, betrayal."; "What happen was a doorstep (rasteira)"

"It is a bit like a cheated women in a couple, right? Or the cheated husband, it was the feeling."

"I look at him as someone who tricked us all (...) he betrayed the ones who trusted him."

"Then a person question himself, I was this 13 year working for what, for whom, it was for people that are not honest, because I believed in the project they sold me"

"The people that work with me lost their trust in part of the family, i.e., they looked at them as idols, as someone who can trust, they would have put their hands in the fire for them (pôr as mãos no fogo), and in this moment they don't trust in anything."

"The family I identified myself with was not this family."

Lost ID

"Now it is indifferent to say I work at Novo Banco. (...) The pride that we had was maybe a bit of arrogance."

"Injured pride, we lost our history, but with our head held high, because we didn't do anything wrong."

"In BES I felt proud, in Novo Banco fear."

"I am not embarrassed for being part of Novo Banco, but the prestige is not the same. We lost the status."

"Before we were treated with respect, (...) now it feels you are a poor soul (um coitadinho)"

"Most of us felt shamed, shamed for everything that happened, shame when we enter in a restaurant to have lunch, take a coffee, whatever, 'so, you are from Novo Banco or from the Bad bank? Those people, what have they done' (...) Shame. Because it was all and nothing. Being considered as gentlemen, we were different people, bankers from a real bank, not from a little bank. (...) Hence it is not easy, the shame."

"Before if someone asked me where I worked, I would say with real pleasure that I worked at Banco Espírito Santo, now Novo Banco, it is not the same thing. (...) The culture disappeared a little. Hence it is more doing our job and see what happens."

"The bank itself is undefined. The people there and that continued there are the people that trusted, just like the advertisement say, they established a solid relationship with the managers based on trust, because when the trust is lost, the bank will go down"

"The Novo Banco still doesn't come down the throat (não desce da garganta para baixo) (...) because the BES is here in the heart."

"The Novo Banco is not known from anywhere, it is a new raised bank, it has no rating, it has nothing."

"The bank now is something abstract (...) It is uncomfortable. We had that figure, and now we have a fund."; "The culture disappeared a little."

"It is like if it hasn't identity. The 145 years of history disappeared."

"It is hard for me to say we are the youngest bank."

"It is a brand that doesn't say anything to me. (...) I feel almost like an orphan."

Disappointment and Sadness

"I felt very disappointment, sad. (...) A person that works with love to the uniform (amor à camisola) feels betrayed (defraudada). (...) I never thought I would be in this situation"

"That idea I had of him fell apart (...), he disappointed me very much (...), I lost the admiration I had."

"I think about this as the other Pope who died and lots of people went to Vatican just for John Paul II, with the news ones there probably it's not the same thing, it's like, you continue to be religious but it's not the same thing, you no longer have that affection and I think it is much like that. People saw him like an idol to follow, an example of leadership, solidity, etc... and then all of it after was a façade, and I think that is disappointing, you really don't know how to react"

"When we start realizing what was happening, it was a disappointment, it was quite sad."

"After all it was a façade and I think that is very disappointing."

"I am disappointed because it really seems it was bad management."

"It was a big shock. We can say we have been through all grief stages. First denial. Second revolt, I am still trying to get out of this yet. I feel I have been deceived, and without intention I have deceived other. (...) I believed in what I was doing. I felt betrayed, but I have to continue to show my face."

"My uncles worked there, my cousins worked there, my father used to supply its canteen, so it is a relationship from generations and obviously I was sad"

"Psychological it was very hard."

"I felt sad"

"My reaction was essentially sadness."

"It was a big shock. We can say we have been through all grief stages. First denial. Second revolt, I am still trying to get out of this yet. I feel I have been deceived, and without intention I have deceived other. (...) I believed in what I was doing. I felt betrayed, but I have to continue to show my face."

"The psychological part is also important, having, being busy (...) it is important for emotional stability, not showing an eventual emotional instability to others, to the family. (...) "

"Sentimentally destroyed. It is a lot of shame for everything that happen."

"A mix of frustration, disappointment, worry,..."

"The daily life is complicated, this is also emotional instability that affects us."

"It was a reverse in all the structural and psychological construction people had of themselves inside the bank, the security of the company BES"

"I was in vacations. I panicked (...) I was terrified for 3 hours without knowing if I had a job."

Instability and Worries

"All the people I know always lived for the bank and always fought for it, and now is like..., I don't know, suddenly you lost the ground, you really don't know what is going to happen"

"We are now in the uncertainty"

"It was the end of an organization in which I worked for 13 year, and that reality is over. In this moment I am confronted with dealing with the uncertainty, something is not always easy."

"We all are without knowing what will happen, hence there is high instability, there is the fear of losing the job in the near future."

"Then there is the fact of being in a indefinite situation. (...) There is a motivation and an insecurity problem. (...) It is a big stress factor, like there is no information."

"We have no answers. (...) Today we don't know the route (rumo)."

"I was very scare when the Banco de Portugal intervened, apprehensive for my future and anxious."

"It only affected me in terms of labour stress, not for me but for my colleagues, they are stressed and pass it to the other people. They are always talking about retrenchment."

"Honestly I haven't yet stop to think in all of this, to reflect, in other words, it has been one day at a time, of course everyone is worried, nobody knows."

"It is the rise from the ashes but we feel discredited."

"It affected me in the sense if my personal decision of coming to BES was the right one or not. (...) I am still trying to digest and understand what it will bring because, well, it is instability. (...) "I felt... 'what am I doing here?'. (...) I found almost 100% of the people scare." "Having or not a job, the possibility of being unemployed is very high. (...) "

Psychophysiological Reactions

"I know someone, that was my account manager as employee, that had a break-down/depression" "I have colleagues in Lisbon who are in a psychiatric sick leave. They are afraid [of the clients]" "Psychologically it is a constant war. We are suffering bullying" "I have colleagues in the branches with beginnings of heart attacks and strokes, being sent to the hospital in ambulance. (...) Even I, I have here an huge line of people just to talk to me. I had panic attacks where I had to go to the back-office to pull myself together and then come back as nothing happened and keep talking to them"

Internal Accountability

"Obviously the problems come from the inside.(...) First external factors, and then internal in the way things were handled. They have used the bank to finance other companies."

"I believe the great majority of the problems arised with Angola(...) If we hadn't have that problem, probably none of this would have happen. (...) Other companies that operate at a foreign level and that received our money, were then fraudulent companies. Therefore, that was the big problem, and I think that the big responsables there are indeed, the great majority, part of the Espírito Santo family. (...) A very important issue is the fact that the regulator, the Banco de Portugal, that didn't work."

"I believe there were situations (...) where it is clear the guilt is in a short nucleus of people, or the responsibility (instead of guilt).(...) Other banks cleaned their balance sheets when the crisis came, the bank opted not to do it in the time, and (...) I believe it was a little bit the beginning of the end because it was already a time where we probably needed help."

"If there weren't the family problems (financing family companies from another industries), the bank wouldn't have any. (...) It was seen by the analysts as the first that would recover when the economy turned around because it was the bank that was present in the companies. (...) It was also that problem from Angola."

"The biggest factor that lead to this bankruptcy was the family influencing many of the decisions, not only in the bank bit in the companies of the group"

"The management was totally responsible"

"It feels like there was a strong weigh on the management side of the bank. (...) There was negligence in controlling parts of the group, as it is the case if BES Angola. (...) It was the so called going through the motions (empurrar com a barriga para a frente) in the case of Espírito Santo Financial Group, where it feels like he was trying to save the assets and was always digging deeper and deeper (ia-se enterrando casa vez mais). (...) The responsibility is more internal than external."

"I think the bank was responsible, specifically the administration, (...), of course the situation helped (...) while there was money, while it was easy to monetize, things were covered (...)" (crisis, indebt family)

"Essentially was about internal factors. The external ones don't have much relevance. (...) There is the businesses in Angola, but the actions always came from the administration."

"That is a lot of greed, ambition, lots of power games."

Multiple Accountability

"I think it is a bit of both. (...) BES went for the crisis without officialising it was in crisis, therefore it is natural that the crisis has influenced it. (...) The other part is also true, I mean, when you make decisions usually you know what you are doing."

"It was not just Ricardo Salgado, there were another political factors, another businesses. (...) The internal factors have a bigger expression. (...) They have used BES's money to cover the most complicated businesses of the group"

"There were another factors. (...) The bank have improper attitudes but the financial situation or the interests of other companies in the group had influence. (...) Both factors are equated. (...) The group situation was motivated by the crisis."

"Maybe there were external factors contributing. (...) From the moment there is a regulator, so many audits, they should have had access to the information. (...) Clearly it is the bank's fault, but existing other auditing entities it could have been avoided, at least the way it happened."

"I wouldn't say the bank was responsible for what it did, because when we talk about the bank we talk mostly about the people who have contact with the public. (...) What I think (...) is that there are many combined interests. (...) This year is eve of the elections year. (...) There comes a point in which being smart and good at your job is not enough, i.e., we need to pass over other people, there has to be combined interests, and the largest crush the weaker. (...) They have taken advantage of the information they have for their own enjoyment, forgetting the entity that is behind."

"As an external factor the financial crisis, but it is clear it was missing management control systems, it should have been taken measures in specific times that wouldn't, would have not reached the rupture point it did. (...) What we know is the connections with the group, with companies from the group, with the family companies."

"I think the guilt is always from two sides."

"A little of both. In a way the administration used and abused the position they had and the dimension of the sales force. (...) Then on the other side, there is the speculation, the speculation and the market led it to happen, or accelerated the process. (...) It was first internal factors, , otherwise the speculation wouldn't have foundation."

Hope

"Now more than ever it is a bank that can be trusted. [because all the toxic assets were removed]"

"People keep working (...) believing the Novo Banco is a viable process, that if everyone pilots in the same direction, we can turn around."

"I think it can work (Novo Banco) (...). Now with a professional structure I think it could have a future. (...) It is necessary to eliminate the mediate phenomena."

"The future exists, we don't know in which frames, but I think it is possible the brand to stay."

"I look to the future with fear and hope."

"The bank has a lot of value. It is an interesting business for any bank. (...) It has a future and has lots to teach and also to learn."

"This is stupid and naive but I still deep down have the hope he will come to explain, that there is a logic."

"Even after everything that happen, and all that we know today, (...), I still think maybe 10 to 20% of employees still think, still think, he was deceived, (...) and maybe 5 to 10% still think he is coming back, he is going to buy back the bank"

Scepticism

"The Novo Banco hardly, I do not believe at all, will remain as Novo Banco, hence the name. (...) The Novo Bank is ... is nothing, it is a transactional figure, it is at contract, we have here a fixed-term where it is Novo Banco. We do not identify with it, not even with the butterfly (...)"

"We know this is at fixed-term (a prazo)"

"The solution was never tested in Portugal, and there isn't..., we are being the human guinea pigs(cobaias) of a solution that initially was thought as medium run and so we could recover the goodwill the bank had and come back as a new institution in the market, with other designation, with other image, with other name, (...) [but] given the will to find a quick solution for the bank, quick solution that is to sell the bank"

"I think we are waiting, waiting for a political decision. (...) We are in limbo"

"I see the bank in which of two ways, or it can be a huge opportunity to do something well done from the scratch, or a disaster at the outset. (...) In this moment instability rules, what they want is to organize as quick as possible to know how it will be sold."

"A lots of question marks, i.e., one day at a time, but we are always preparing, we are paying closer attention to the plan B."

"I don't look to the future with good eyes, in terms of the organization I think it will be acquired for another big financial group and completely loose its own identity."

"As a bank it is over, (...) it will be sold. (...) I think we are being the guinea pigs"

"For me the future is being part of another, (...) at least it is the short-term perspective, that is transmitted by the media"

"Very worried, very worried"

"There is uncertainty concerning the future (...) The BES institution I think is already over, (...) the future what will happen is being acquired for others and disappear"

"I don't think there is a future, as an alone bank it doesn't, apparently the idea is to sell"

"Being bought"

"I look to the future very discouraged."

Resilience

"We were here the next day.(...) We have the ambition of making this work."

"We always faced the situation, we continued fighting (continuámos a ir à luta). (...) I believe this is a bad moment, and deep down I believe we will surpass the situation."

"Our first concern were the clients. (...) In the moment we started realizing the clients situation were ok in general, then we started to worry about ourselves."

"It was harder to motivate the team"

"I already though of several scenarios, indeed I say that to the people who work with me, it is not to scar, I am not going to leave the ship"

"In this moment the plan that we all have is to show that we have the right to our job."

New Action Plan

"My plan is to pay attention, to everything, all the news, all the details people mention, and keep my eyes in the labour market, try to find a back-up plan as soon as possible."

"I don't yet think I should look for other things. (...) We never know if a future decision will be good or bad. I am patiently waiting. It might even be a good opportunity. The solution can benefit some employees. If not there are other places to work. I am not scared."

"I tried to evaluate if the solution taken would somehow open some future perspectives [in Novo Banco], (...) at the same time look for alternatives outside (...). The first step that people should, that the majority of people probably did was to update the résumé and start to see in which way outside the bank might go, including, not in my case, but including thinking in personal projects, having their own business."

"I have to look for alternatives"

"I already had my plan of action, mas I think not all people have yet understand they have to find another job."

"I would say people sometimes need a kick in the butt (um chuto no rabo) to move forward"

Inertia

"I still patiently wait the end of the story"

"I am just looking for information"

"Given my age and familiar situation, probably I will be unemployed."

"My action plan is to see what happens."

"The strategy is to recover. I haven't developed any other action plan yet."

"I feel indifferent (...) because I am no longer emotionally connected, I am just waiting for the end."